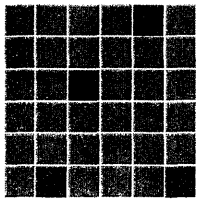


*Incoming*  
*cc: Paul*  
*Tecl*



State of Utah  
School & Institutional  
Trust Lands Administration

Jon M. Huntsman, Jr.  
Governor

Kevin S. Carter  
Director

675 East 500 South, Suite 500  
Salt Lake City, UT 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
www.trustlands.com

July 15, 2008

Mike Murphy  
c/o 1024 East Kiva Dr.  
Blanding, UT 84511

RE: SITLA Mineral Lease ML 49721-MP, San Juan County  
DOGM Small Mine Permit #S0370116  
Safeco Insurance Co. of America Surety Bond #6082849

Gentlemen:

The Division of Oil, Gas & Mining recently determined, upon inspection, that regarding work performed at the Cloudy Moon Quarry upon trust lands under the above numbered mineral lease is satisfactory. But, revegetation success at the site is not yet established. The reclamation surety bond posted with the Trust Lands Administration therefore may not be released for a period of up to three more years pending the outcome of revegetation success.

The Principle amount of the current surety bond is \$10,000. The amount of bond needed to ensure revegetation of the quarry site is \$1,500. The Trust Lands will entertain a Bond Rider to reduce the Principle amount of the current surety bond to \$1,500. Such Bond Rider must be initiated by Safeco Insurance Company of America and submitted to the Director of the Trust Lands Administration for acceptance. Alternatively, Moon Mountain Stone Company may post a substitute reclamation bond in the amount of \$1,500 directly with the Division of Oil, Gas, & Mining, in such form as may be accepted by that agency, to secure a release of the current \$10,000 surety bond held by the Trust Lands Administration.

Please let me know how you desire to proceed, and contact me if you have any questions in this matter. Meanwhile, the Trust Lands Administration continues to hold Surety Bond #6082849 in full force and effect.

Sincerely,

John T. Blake  
Trust Land Specialist

Cc: Paul Baker  
Moon Mountain Stone  
Safeco Insurance Co. of America

RECEIVED

JUL 18 2008

Div. of Oil, Gas & Mining